Supreme Court, U.S.
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No. 00-1296

In The

Supreme Court of the United States

HUNT MANUFACTURING CO.,

Petitioner,

v.

FISKARS, INC. AND FISKARS OY AB,

Respondent.

On Petition For A Writ Of Certiorari To The United States Court Of Appeals For The Federal Circuit

RESPONDENT'S BRIEF IN OPPOSITION

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March 5, 2001

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COUNTERSTATEMENT OF THE QUESTIONS PRESENTED

1. Must a court apply prosecution history estoppel even when it finds that an amendment to a patent claim was not made for *any* reason related to patentability?

2. Does evidence that a patent claim was not amended for reasons related to patentability rebut any presumption that it was?

RULE 29.6 CORPORATE DISCLOSURE STATEMENT

Fiskars, Inc. is a subsidiary of Fiskars Holdings, Inc., which in turn is a subsidiary of Fiskars OY AB. Fiskars, Inc. recently changed its name to Fiskars Consumer Products, Inc.

Fiskars OY AB has no parent company; it is publicly traded on the Helsinki stock exchange.

TABLE OF CONTENTS

Page

COUNTERSTATEMENT OF THE QUESTIONS PRESENTED i

RULE 29.6 CORPORATE DISCLOSURE STATEMENT ii

TABLE OF CONTENTS iii

TABLE OF AUTHORITIES iv

BRIEF IN OPPOSITION 1

OPINIONS BELOW 1

STATEMENT OF THE CASE 2

REASONS FOR DENYING THE WRIT 4

A. The petition seeks review of a hypothetical question not raised by the record in this case 4

B. The decision below is in accord with this Court's decision in *Warner-Jenkinson* 6

C. The Federal Circuit has already considered this case in light of *Festo* 10

CONCLUSION 11

TABLE OF AUTHORITIES

Page

CASES

Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co., 234 F.3d 558 (Fed. Cir. 2000) 1, 4, 10, 11

Graver Tank & Manufacturing Co. v. Linde Air Products Co., 339 U.S. 605 (1950) 6

Warner-Jenkinson Co. v. Hilton Davis Chemical Co., 520 U.S. 17 (1997) 6, 7, 8, 9, 10

RULES

S. Ct. Rule 10 1

OTHER AUTHORITIES

21 Charles A. Wright & Kenneth W. Graham, *Federal Practice & Procedure* § 5125, at 601-02 (1977 & Supp. 2000) 8

BRIEF IN OPPOSITION

The respondents, Fiskars, Inc. and Fiskars OY AB (collectively, "Fiskars"), respectfully ask this Court to deny the petition for a writ of certiorari to review the decision of the United States Court of Appeals for the Federal Circuit, reported at 221 F.3d 1318. The petition seeks review of a hypothetical question unsupported by the record, ignores inconvenient factual findings, manufactures a conflict where none exists – and still fails to disguise the ordinariness of this garden-variety case or to present any compelling reason for granting review. *See* S. Ct. Rule 10. The petition also seeks remand for reconsideration in light of the Federal Circuit's subsequent decision in *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 234 F.3d 558 (Fed. Cir. 2000), once again manufacturing a conflict where none exists and ignoring the fact that the *en banc* Federal Circuit had *Festo* in front of it when it denied rehearing in this case. For these and other reasons set out below, the petition should be denied.

OPINIONS BELOW

The Court of Appeals' opinion and the district court's opinion on summary judgment are noted in the petition and reproduced in the petition's appendix. The district court's opinion on the petitioner's post-trial motions is not reported, but is reproduced at R-App. 1-23.

STATEMENT OF THE CASE

A jury awarded Fiskars more than $3 million in damages when it found that petitioner Hunt Manufacturing Company ("Hunt") had infringed Fiskars' patent. App. 12a. Fiskars' patent claims a rotary paper trimmer, a device that consists of a cutting board with a mounted carriage assembly that slides along a rail. R-App. 2. The carriage assembly incorporates a circular cutting blade that cuts or scores paper when the user presses the carriage down and moves it along the rail. R-App. 2-4. A spring assembly in the carriage lifts the carriage (and thus the blade) to an inoperative position when the user is not pressing down on the carriage. R-App. 5.

Fiskars found a considerable market for the patented device. R-App. 18-19. Realizing that Fiskars' trimmer was the only such device available in retail channels, R-App. 19, Hunt began selling its own rotary trimmer, a device that the jury found infringed Fiskars' patent. R-App. 19.

The jury's finding was based on the doctrine of equivalents. App. 1a. Hunt's trimmer consisted of a cutting board with a mounted carriage assembly that slid along a rail. App. 22a. The carriage assembly incorporated a circular cutting blade that cut paper when the user pressed down on the top of the carriage and moved it along the rail. App. 22a. The difference between Hunt's device and the device claimed in Fiskars' patent is that in Hunt's device, a spring lifted the cutting blade, rather than the entire carriage, to an inoperative position when the user is not pressing down. App. 23a. The district

court found that this difference avoided literal infringement of the Fiskars' patent, App. 47a, but the jury found infringement based on equivalence. App. 1a.

Hunt appealed to the Federal Circuit, arguing that the doctrine of prosecution history estoppel barred any claim of equivalence because during the prosecution of the patent, Fiskars had changed a claim describing the means for lifting the "cutting blade" to one describing the means for lifting the "carriage assembly." App. 5a-7a. The district court had rejected this argument after a careful and detailed analysis of the prosecution history of Fiskars' patent, concluding that the amendment "did not go to patentability." App. 33a-39a; 47a-56a; *see especially* App. 53a. Noting that prosecution history estoppel applies "only if the purpose of the [amendment] was to avoid prior art or address similar patentability concerns," the court looked to the purpose of the amendment. App. 48a. The district court found "strong evidence in the prosecution history that the amendment did not relate to patentability." App. 52a. The district court noted that the amendment did nothing to distinguish the prior art that the patent examiner had cited in rejecting Fiskars' first application, and that it did not address any of the examiner's objections about indefiniteness. App. 50a-51a. The court determined that the amendment was simply one of several "technical changes" that "did not go to patentability." App. 53a.

Concluding that "the prosecution history was sufficient to inform the reasonable public that the amendment . . . was not to avoid prior art or for any other patentability consideration," the district court ruled that Fiskars was not estopped from claiming infringement

under the doctrine of equivalents. App. 53a. The Federal Circuit, declaring that it could "discern no reversible error in the district court's conclusion," affirmed. App. 7a.

Hunt sought rehearing *en banc*. A year earlier, the Federal Circuit had granted rehearing *en banc* in *Festo* to resolve a number of issues involving prosecution history estoppel; the *Festo* decision was still pending when Hunt sought rehearing in this case. When the Federal Circuit denied Hunt's request for a rehearing *en banc* on October 10, 2000, App. 57a, Hunt moved to recall the mandate, arguing that "the finality of the decision in the present appeal should only be effected after consideration of the decision in *'Festo.*" R-App. 26. The court denied Hunt's request on October 31, 2000. R-App. 30. A month later, it issued its *en banc* decision in *Festo*.

REASONS FOR DENYING THE WRIT

A. The petition seeks review of a hypothetical question not raised by the record in this case.

Hunt asserts that one of the questions presented by this case is whether it is error to hold that

> a claim amendment, made in response to a prior art rejection, does not create prosecution history estoppel based exclusively on a conclusion that

> the added claim element does not distinguish the prior art.

Pet. *i*.

There are two problems with Hunt's question. First, the district court expressly found that the claim amendment at issue here was *not* made in response to a prior art rejection. App. 50a, 52a-53a. Second, the district court did not base its rejection of prosecution history estoppel "exclusively on a conclusion that the added claim element does not distinguish the prior art"; in fact, the court concluded that the amendment did not relate to prior art or "any other patentability consideration." App. 53a.

While the Federal Circuit's discussion of the district court's analysis of the prosecution history may suggest that the district court looked only at whether the claim amendment distinguished the prior art cited by the patent examiner, App. 7a, the district court expressly found that the amendment was "not to avoid prior art *or for any other patentability consideration*." App. 53a (emphasis added). The district court noted that the amendment did not address any of the patent examiner's objections about indefiniteness or prior art, and that other facts in the prosecution history showed that the amendment was simply one of several "technical changes" that "did not go to patentability" at all. App. 50a-51a, 53a.

The facts presupposed by this question – that the amendment was made in response to a prior art rejection and that the court did not consider whether the amendment related to any other issue of patentability – are simply not supported in the record. Without the essential factual predicates, the question Hunt posits is nothing

more than a hypothetical. The legal question raised in Hunt's petition, therefore, presents no reason – much less a compelling reason – to grant review.

B. The decision below is in accord with this Court's decision in *Warner-Jenkinson.*

Hunt's main argument boils down to a claim that the decision below conflicts with this Court's decision in *Warner-Jenkinson Co. v. Hilton Davis Chemical Co.*, 520 U.S. 17 (1997). In fact, the decision below is in complete accord with *Warner-Jenkinson*.

At issue in *Warner-Jenkinson* was the scope of the doctrine of equivalents. *Id.* at 21. Over 50 years ago, this Court in *Graver Tank & Manufacturing Co. v. Linde Air Products Co.*, 339 U.S. 605 (1950), established "the modern contours of what is known in the patent law as the 'doctrine of equivalents.' " *Warner-Jenkinson*, 520 U.S. at 21. That doctrine recognizes that "a product or process that does not literally infringe upon the express terms of a patent claim may nonetheless be found to infringe if there is 'equivalence' between the elements of the accused product or process and the claimed elements of the patented invention." *Id.* The petitioner in *Warner-Jenkinson* sought to avoid the doctrine of equivalents by asking the Court either to eliminate the doctrine by overruling *Graver Tank* or to greatly limit the application of the doctrine by expanding the application of prosecution history estoppel. *Id.* at 21, 30.

The Court refused to do either. First it rejected petitioner's argument that the doctrine of equivalents conflicted with various provisions of the 1952 Patent Act,

holding that Congress was aware of the doctrine when it enacted the 1952 Act and chose not to eliminate it. *Warner-Jenkinson*, 520 U.S. at 22. Then the Court turned to petitioner's argument that prosecution history estoppel should be expanded to limit application of the doctrine of equivalents. Historically, prosecution history estoppel precluded a patent holder from using the doctrine of equivalents to reach subject matter that the applicant disclaimed or surrendered in order to obtain the patent. *Id.* at 30. The petitioner in *Warner-Jenkinson* asked the Court to expand this limitation by precluding a patentee from asserting equivalence of subject matter surrendered for *any* reason during prosecution, arguing that inquiry into the reasons for a claim amendment undermines the public's right to clear notice of the scope of the patent. *Id.* The Court did not agree. Instead, it reaffirmed that prosecution history estoppel must be "tied to amendments made . . . to address a specific concern . . . that arguably would have rendered the claimed subject matter unpatentable." *Id.* at 30-31.

Under *Warner-Jenkinson*, then, amendment of an element of a claim during patent prosecution "does not necessarily preclude infringement by equivalents" if the change did not address a specific concern going to the patentability of the subject matter. *Id.* at 33. Here, the district court found "strong evidence in the prosecution history" that the change at issue "did not go to patentability," or more specifically, that it did not relate to prior art or "any other patentability consideration." App. 52a-53a. Because the change did not relate to patentability, *Warner-Jenkinson* does not bar Fiskars' reliance on

the doctrine of equivalence. There is thus no conflict between the decisions below and *Warner-Jenkinson*.

Hunt nevertheless contends that there *must* be a conflict because *Warner-Jenkinson* created a presumption that unexplained claim amendments were made for reasons of patentability, and the amendment here was unexplained. Pet. 11. The presumption created in *Warner-Jenkinson*, however, is rebuttable. *Warner-Jenkinson*, 520 U.S. at 32.

A presumption may be rebutted by evidence that negates the conclusion or its factual predicates. 21 Charles A. Wright & Kenneth W. Graham, *Federal Practice & Procedure* § 5125, at 601-02 (1977 & Supp. 2000). The *Warner-Jenkinson* presumption arises when the prosecution history "does not reveal" the reason for an amendment and thus does not give someone looking at that history notice as to which amendments were made "to address a specific concern . . . that arguably would have rendered the claimed subject matter unpatentable." *Warner-Jenkinson*, 520 U.S. at 30-31, 33. When that factual predicate is met, a court must presume that the amendment was made for "a substantial reason related to patentability." *Id.* at 33.

Here, the district court found that "the prosecution history was sufficient to inform the reasonable public that the amendment . . . was not to avoid prior art or for any other reason related to patentability." App. 53a. Because there was evidence negating the conclusion that the claim amendment was made for reasons relating to patentability, the court properly concluded that the presumption was rebutted and estoppel did not apply. App. 51a, 53a.

Hunt, however, suggests that the presumption, which arises when there is no proof of the reason for an amendment, can only be rebutted by the very thing whose absence gave rise to the presumption in the first place: proof of the reason for the amendment. Pet. 10. This Catch-22, Hunt contends, is not unfair because it "ensures that the consequences of ambiguity fall on the patentee, who is in a position to prevent the ambiguity." *Id.* at 9. While this argument may have some merit when applied to applicants prosecuting their claims today, the district court recognized that the opposite is true when the "patent was prosecuted and issued before *Warner-Jenkinson* was decided, with the applicant and the examiner unaware of the presumptions that might arise from any unexplained amendments." App. 52a (citing *Warner-Jenkinson*, 520 U.S. at 41 (Ginsburg, J., concurring) ("The new presumption, if applied woodenly, might in some instances unfairly discount the expectations of a patentee who had no notice at the time of patent prosecution that such a presumption would apply.")). *Cf. Warner-Jenkinson*, 520 U.S. at 32 (refusing to "upset the basic assumptions of the PTO" when "the PTO has been requesting changes in claim language without the intent to limit equivalents or, indeed, with the expectation that the language it required would . . . *allow* for a range of equivalents.").

The Federal Circuit was right to find "no reversible error in the district court's conclusion." App. 7a. The district court correctly concluded that the prosecution history was sufficient to apprise the public that the amendment was not made for any reason related to patentability. App. 51a, 53a.

Since there is no conflict between *Warner-Jenkinson* and the decisions below, the petition should be denied.

C. The Federal Circuit has already considered this case in light of *Festo*.

Hunt contends that this case should be vacated and remanded in light of the Federal Circuit's subsequent decision in *Festo*. But the *en banc* Federal Circuit has already considered this case in light of *Festo*: it denied Hunt's petition for rehearing *en banc* even as it was finalizing its decision in *Festo*.

The Federal Circuit was certainly aware that this case involved issues relating to prosecution history estoppel as did the pending *Festo* case. The *en banc* court had both cases in front of it at the same time. *See* App. 58a; *Festo*, 234 F.3d 558 (argued Mar. 29, 2000). Moreover, Hunt specifically requested that the court wait until it had issued its decision in *Festo* before making its decision in this case final. R-App. 28. The Federal Circuit, however, saw no reason to rehear this case, delay its decision or stop its mandate in light of *Festo*. App. 58a; R-App. 30.

The *en banc* court's decision to deny rehearing in this case while considering *Festo* is not surprising since the decision here is in accord with *Festo*. As the *en banc* court in *Festo* explained, "[t]he logic of prosecution history estoppel is that the patentee, during prosecution, has created a record that fairly notifies the public that the patentee has surrendered the right to claim particular matter as within the reach of the patent." *Festo*, 234 F.3d 558, 564-65. The district court in this case found that "the

prosecution history was sufficient to inform the reasonable public" that Fiskars did *not* surrender its right to claim the subject matter at issue here. *See* App. 53a.

Hunt suggests there is a conflict with *Festo* because *Festo* ruled that prosecution history estoppel applies when an amendment is made for *any* reason related to patentability, not just to avoid prior art. Pet. 15-16. But the district court here expressly found that the amendment "was not to avoid prior art *or for any other reason related to patentability.*" App. 53a. Since the lower court's decision is in accord with the subsequent decision in *Festo*, there is no reason to remand for reconsideration.

CONCLUSION

For all of the foregoing reasons, the petition for a writ of certiorari should be denied.

Respectfully submitted,

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March 5, 2001

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF WISCONSIN

FISKARS, INC. and FISKARS OY AB,

Plaintiffs,

v.

HUNT MANUFACTURING CO.,

Defendant.

OPINION AND ORDER

97-C-0255-C

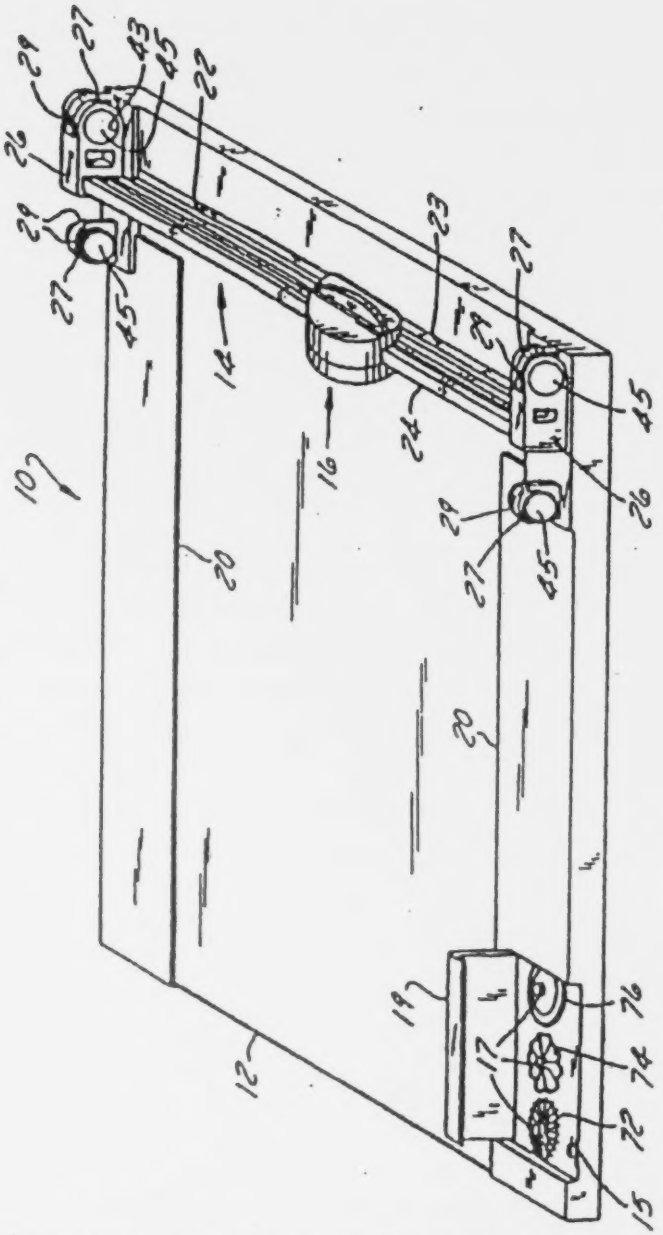
This civil case for patent infringement was tried to a jury in May 1998. The jury found that defendant Hunt Manufacturing Co. had infringed plaintiffs' U.S. Patent No. 5,322,001 and it awarded damages to plaintiffs for lost profits ($114,760), price erosion ($1,127,650) and future damages attributable to price erosion ($1,856,552). The case is now before the court on motions by defendant pursuant to Fed. R. Civ. P. 50(a) to enter judgment for it as a matter of law and pursuant to Fed. R. Civ. P. 59(e) to vacate the judgment in favor of plaintiffs or alternatively, to grant defendant a new trial. For their part, plaintiffs have moved for an award of attorney fees and expenses and for prejudgment interest.

I conclude that the jury had sufficient evidence to support the verdict and that defendant has failed to show that any of the court's pretrial rulings were erroneous. Accordingly, I will deny defendant's motions. Plaintiffs have not shown their entitlement to an award of attorney fees and expenses except with respect to defendant's counterclaim for inequitable conduct. Their motion for

attorney fees and expenses will be denied in all other respects. Defendant does not dispute plaintiffs' right to prejudgment interest or the amount to which plaintiffs are entitled.

I. BACKGROUND

The patent in issue covers a paper cutter with circular blades. Essentially, the invention consists of a cutting board assembly for cutting paper sheets that has a pivotally mounted rail assembly on which is mounted a carriage incorporating a circular cutting blade, as shown in Fig. 1 of the '001 patent.



When the user presses down on the carriage assembly 16, the carriage assembly pushes downward on the rail assembly 14 to move the cutting board to an operative position against a self-healing pad 22. The user can then

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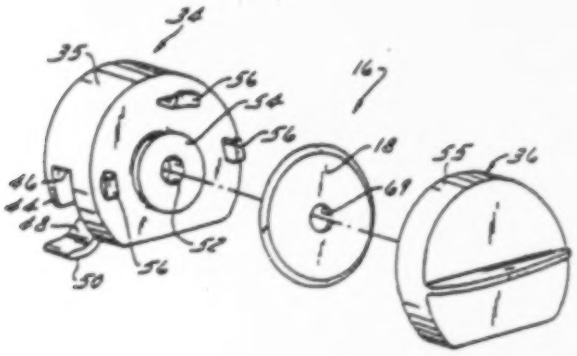
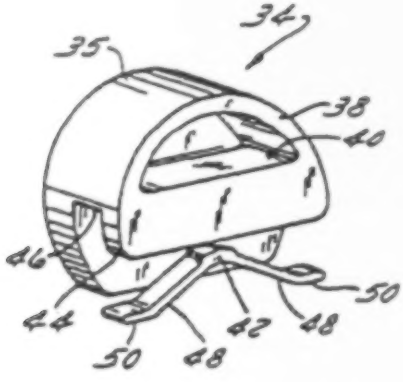
move the carriage assembly back and forth along the rail assembly to cut or trim paper. Fig. 5 below shows the blade 18 placement within the carriage assembly.

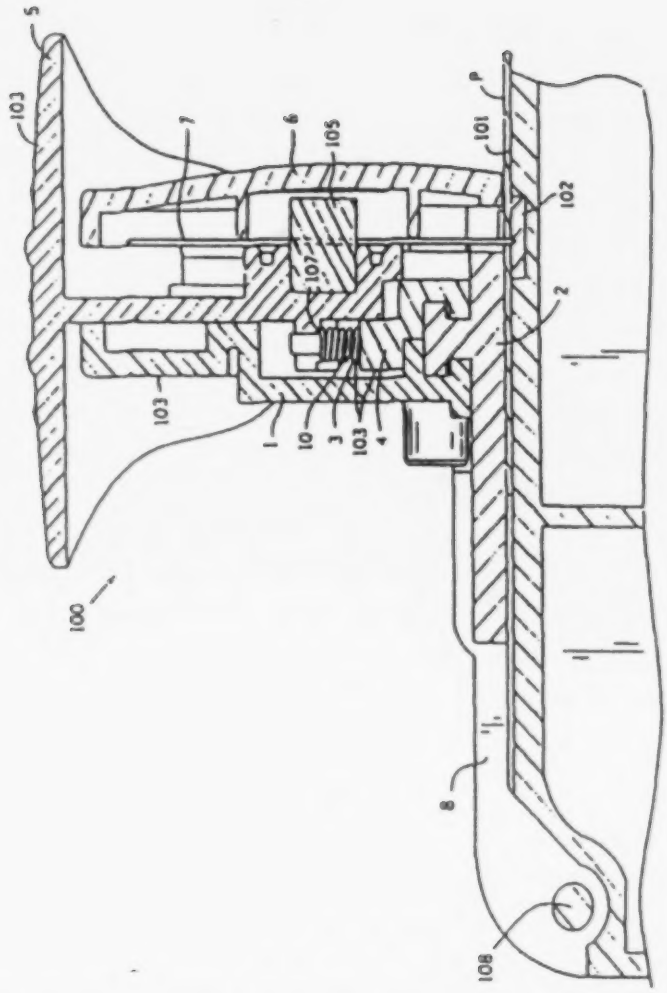


When pressure is removed from the carriage assembly, the rail assembly is biased to an inoperative position away from the cutting board. The biasing is accomplished by a pair of leaf springs mounted in the bottom of the carriage assembly, as shown in Fig. 6 below.



Defendant's product is called a "Heavy Duty Rotary 12" Paper Trimmer." It is a device in which paper is cut by a round blade housed in a carriage assembly, with a portion of the blade protruding from the bottom of the carriage assembly. The carriage assembly is mounted on

and slides along a rail, which is attached to the cutting board. The user positions the paper to be cut under the rail and then presses down on the top of the carriage assembly or handle/blade support to which the blade is attached, pushing the blade down and into contact with the cutting surface. As in plaintiffs' invention, the carriage assembly slides along the rail and across the paper, allowing the blade to cut the paper. When the carriage assembly is released, a helical spring located in the carriage assembly pushes the handle/blade support upward, lifting the blade to an inoperative position not in contact with the cutting surface.



In their complaint, plaintiffs contended that defendant's device literally infringed independent claim 8 of the '001 patent, which discloses "a spring assembly formed on said carriage assembly for biasing said carriage assembly to an inoperative position," and dependent claim 9 and that it infringed independent claims 1 and 6 under the doctrine of equivalents, as well as claims 2 and 5, which are dependent on claim 1. Defendant moved for summary judgment, asserting that its device

did not infringe either literally or by the doctrine of equivalents. In an opinion entered March 30, 1998, I granted the motion as to literal infringement, finding that claim 8 and dependent claim 9 of the '001 patent disclose a spring assembly that is structured to influence or move the entire carriage assembly whereas defendant's device biases, that is, influences directionally, only the blade handle carrier. In the same opinion, I held that defendant's device incorporates "a spring assembly formed on said carriage assembly," as disclosed in claim 8 and that it was irrelevant that defendant's device uses helical springs in place of the leaf springs shown in plaintiffs' preferred embodiment. I denied defendant's motion as to infringement by the doctrine of equivalents, holding that the doctrine of prosecution history estoppel did not bar plaintiffs from pursuing their contentions that defendant's accused device infringed claims 1, 2, 5, 6, 8 and 9 of the '101 patent. Therefore, plaintiffs could prevail on their infringement action as to claims 8 and 9 if they demonstrated that the helical spring biasing mechanism of the accused device performs substantially the same function, in substantially the same way, to produce substantially the same result as the biased carriage assembly element disclosed in those claims and, if that equivalence is established, they could prevail under claims 1, 2, 5 and 6 if they could demonstrate that defendant's helical spring is equivalent to the leaf spring and spring blade elements disclosed in those claims.

On March 27, 1998, the deadline for the filing of § 282 notices of prior art on which the parties intended to rely at trial, defendant filed a list of more than 60 references, only one of which had been the subject of an expert

report. On April 8, 1998, defendant filed a supplemental § 282 notice, identifying one piece of prior art. On April 10, 1998, defendant provided plaintiffs with a supplement to the first and second expert reports of one of its experts and a new expert report from another expert. These reports included new opinions on four prior art references. On April 16, 1998, defendant filed a second supplemental § 282 notice, identifying two references.

On the Thursday before the scheduled April 27, 1998 start of trial, defendant advised plaintiffs of a newly discovered Taiwanese patent that, in defendant's opinion, was the single most important piece of prior art. The patent existed only in its original form, in Mandarin Chinese, and had not yet been translated. In view of defendant's characterization of the patent, I continued the trial for three weeks to give the parties an opportunity to have the patent translated and to evaluate its significance. I allowed defendant to supplement its experts' reports with opinions limited solely to the Taiwanese patent. Also, I held that defendant was barred from offering any testimony at trial on any prior art references that had not been the subject of expert opinions. Despite this admonition, defendant provided plaintiffs with a May 1, 1998 expert report that covered a number of prior art references in addition to the Taiwanese patent, none of which had been the subject of a § 282 notice or of a previously disclosed expert opinion.

At the final pretrial conference held on April 23, defendant argued that it should be allowed to present evidence on the defenses of inventorship, best mode and patent misuse. I ruled that defendant could not raise any of these defenses. Although it had identified these

defenses fleetingly in its answer, defendant had never referred to best mode or inventorship again, even in answers to interrogatories served early in the case in which it was asked to set forth all of the facts and evidence upon which it was basing its affirmative defenses. Defendant had never supplemented its answers to add these defenses. Having failed to alert plaintiffs to the possibility that it would rely on these defenses, it was barred from doing so on the eve of trial. I denied the request to put in evidence of patent misuse because no antritrust issues were being tried.

During the interval between the final pretrial conference and the rescheduled trial, the parties briefed the remaining issues of claim construction. I issued a written opinion on these issues on May 13, 1998.

II. DEFENDANT'S POST-TRIAL MOTIONS

A. Pretrial Rulings

Defendant challenges every aspect of the trial and the majority of the pretrial rulings. At the outset, it argues that the court erred in holding that plaintiffs were not barred by prosecution history estoppel from arguing infringement under the doctrine of equivalents. It argues also that it was unfairly prejudiced by orders excluding items of prior art that were not the subject of a § 282 notice and of an expert opinion and by the order preventing it from raising the affirmative defenses of improper inventorship, failure to disclose the best mode of practicing the invention and patent misuse. Also, defendant objects to the decision excluding it from offering evidence

of the patentability of its own device or more accurately, the unpatentability of its device, in light of the disclosures of the Taiwanese patent.

Many of defendant's complaints are premised on a significant misunderstanding of the way trial preparation is to proceed. Defendant seems to view the process as fluid and subject to change up to and including the trial itself. (Indeed, it seems to think that even trial is not the end and that it should be free to raise new arguments at this stage.) Before 1938, defendant's view might have had some adherents in the judiciary; since then, however, the courts operate under the civil rules and the principle that the parties are to make full disclosure of their cases and to do so in time to let their opponents prepare. In this case, the magistrate judge set deadlines for the completion of discovery, for the filing of expert reports, for the filing of dispositive motions and for disclosure of lay witnesses. Despite the deadlines, defendant continued to "discover" new evidence and submit new expert reports long after the time had run for doing so. Now it argues that it was treated unfairly by being denied the opportunity to use the evidence that "turned up" at the last minute, as if, in plaintiffs' apt phrase, discovery were like mushrooms that pop out of the ground after a rain and not the result of assiduous effort on the part of counsel. Defendant maintains that the court has an obligation to give counsel a chance to develop this late-popping discovery unless plaintiffs can show prejudice. Considering that defendant was given a three-week continuance to accommodate its late discovery of the Taiwanese patent, its complaints of being cut off unfairly fail to resonate with any authority. Its complaints about the inequity of

having to produce expert reports fare no better. Defendant knew the deadline for producing these; it knows that the relevancy of prior art needs the testimony of an expert; it has no real excuse for failing to obtain and produce expert reports on any prior art it thought was critical to its case. Defendant's trial counsel is no novice. He cannot argue credibly that defendant had no warning that it would be precluded from using prior art that was not the subject of an expert report.

Nothing in defendant's post-trial motions persuades me that the challenged pretrial rulings were erroneous. In fact, defendant makes little attempt to argue these points; for the most part, it simply cites its earlier filed motion and briefs as support for its argument that its motions were decided wrongly, ignoring the long-entrenched maxim that Rules 59 and 50 are not intended to be vehicles for rearguing matters that have been resolved.

B. Sufficiency of Evidence on Infringement Under The Doctrine of Equivalents

According to defendant, the jury had no substantial evidence on which to base its finding that defendant's rotary trimmer infringed plaintiffs' patent by the doctrine of equivalents. Defendant argues that plaintiffs failed to show that for each element in their patent that is not present literally in the accused device, the device has a feature that is only insubstantially different from the claim element and that performs the same function of the claim element.

Plaintiffs argue that they met their burden of proof by adducing evidence, primarily from Professor DeVries,

that the helical spring in defendant's device performed the function to which plaintiffs' claims were directed: lifting the cutting blade to an inoperative position from the surface of the cutting board. Depressing the spring enables the user to cut; releasing it moves the blade to an inoperative position. Defendant maintains that the "function" at issue is biasing the entire carriage assembly, a function its device does not perform because defendant's version of the rotary cutter uses a helical coil spring to bias the blade carrier handle rather than the entire carriage assembly.

In granting summary judgment to defendant on literal infringement, I relied on the fact that the biasing mechanism in plaintiffs' patent biased the entire carriage assembly, whereas in defendant's device the mechanism biased only the blade carrier handle. Although I concluded that plaintiffs could not show literal infringement, I added that plaintiffs might be able to prevail on their infringement claim under the doctrine of equivalents "if they demonstrate that the helical spring biasing mechanism of the accused device performs substantially the same function, in substantially the same way, to produce substantially the same result as the biased carriage assembly element disclosed [in the patent]." Opin. and Order of March 30, 1998 at 29. Whether helical coil or leaf, the spring performs the same function of causing a bias to take place. Biasing either the entire carriage assembly or just the blade carrier handle is an insubstantial change in function if the mechanism performs the essential function of the patented invention: biasing all or a portion of the carriage assembly to lift the blade from the cutting surface to an inoperative position. Plaintiffs

adduced sufficient evidence to enable a reasonable jury to find that defendant's device performed a function that was essentially the same as that performed by the patented invention.

Professor DeVries testified that both a helical coil and a leaf spring operate by the release of internal, stored energy of the spring force. This was sufficient to show that the way both kinds of springs function is equivalent.

Professor DeVries testified that whichever kind of spring is used, the result is the same: the operation of the spring allows a user to cut when pressing down on the carriage assembly and to lift the blade away from the cutting board when the user releases the carriage assembly. This was evidence sufficient to allow the jury to find that the result achieved by the accused device was the same as that claimed by the patent. Defendant contends that the jury could not have reached this conclusion because the result of the coil spring in its device is to urge the blade to a fully retractable storage position in the carriage assembly, which is something plaintiffs did not claim. The jury could have found reasonably that the difference between fully retractable and not fully retractable blades in the two devices was not a substantial difference. In each instance, the blade was biased away from the cutting surface by the action of the spring.

Finally, Professor DeVries testified that a person of ordinary skill in the art of cutting device design would consider the coil spring in the accused device interchangeable with the leaf springs claimed in the invention.

Defendant places considerable weight on the difference in the way the blades are mounted in the accused

device and as shown in the patent. The jury did not have to find that this difference was significant. It could reasonably have relied on Professor DeVries's testimony that the mounting difference was small and inconsequential.

Finally, defendant challenges the equivalency finding by arguing that plaintiffs never proved that the spring in defendant's device not only biased the carriage assembly but preformed [sic] the function of supporting the carriage assembly for sliding movement along the rail. As plaintiffs point out, the supporting function is a part of only one claim (6) of the patent and, in any event, their expert, Professor DeVries, showed how the spring in defendant's device performed the same function of support as the leaf spring in plaintiffs' invention.

Defendant challenges the jury verdict by arguing that Professor DeVries compared the accused device to plaintiffs' actual product, rather than to the claims of the patent in issue. Defendant is wrong in thinking that Professor DeVries rested his comparison on plaintiffs' device. In fact, he compared elements of the accused device to elements set out in claim charts.

C. Claim Construction

Because the claims were construed in a written opinion entered on May 13, 1998, I will not discuss defendant's post-trial challenges to that decision. Defendant has had ample opportunities to be heard on the issues of claim construction. However, a few words may be helpful in explaining why defendant has no due process claim.

Defendant asserts that it was taken by surprise and prejudiced when the jury was instructed that the "spring assembly formed on said carriage assembly" element of claim 8 reads literally on the spring assembly in defendant's accused device. Defendant had a full opportunity to be heard on this issue when it briefed its motion for summary judgment. Once I had concluded that the element read directly on this element of defendant's device, that became the law of the case, no longer subject to jury determination.

D. Unavailability of Doctrine of Equivalents to Plaintiffs

Having failed to show that the jury lacked sufficient evidence to support its finding of infringement by the doctrine of equivalents, defendant argues that the doctrine of equivalents was not available to plaintiffs for one of three reasons: 1) the "All Elements" rule; 2) the dedication rule; and 3) prior art estoppel. The all elements rule derives from *Warner-Jenkinson Co. v. Hilton Davis Chemical Co.*, 117 S. Ct. 1040, 1049 (1997). It requires that equivalency be shown to be more than simply the overall equivalency of a device or process; rather, each and every element of a patent claim must be present in the accused device, either literally or through an equivalent element. Plaintiffs showed through Professor DeVries's testimony that defendant's device biased (influenced directionally) portions of the carriage assembly. From this, he concluded that defendant's device had an element equivalent to the "spring biasing" element in plaintiffs' patent. Using the claim chart, he showed that every element of

defendant's product had an equivalent element in plaintiffs' patent. His testimony gave the jury a sufficient basis upon which to find infringement.

Defendant never raised the "dedication rule" until after trial. That is too late. *See Sokol Crystal Products, Inc. v. DSC Communications Corp.*, 15 F.3d 1427, 1434 (7th Cir. 1994) (post-trial motions are not the time "to raise arguments which could, or should, have been made before judgment issued").

Defendant continues to argue that plaintiffs had the burden of showing that a hypothetical claim broad enough to literally cover defendant's product would not ensnare the entire universe of relevant prior art. In *National Presto Industries, Inc. v. West Bend Co.*, 76 F.3d 1185, 1192 (Fed. Cir. 1996), the Federal Circuit rejected the idea that the court must create a hypothetical claim and determine its hypothetical patentability before the jury can find the facts of equivalency. Instead, the court held, it is the patent challenger's task to come forward with evidence to show that the accused device is in the prior art. Until the challenger does this, the patent holder has no burden to prove the contrary. Defendant never made the showing that would have made it necessary for plaintiffs to prove that its patent claims, as interpreted under the doctrine of equivalents, do not ensnare any prior art.

E. Inequitable Conduct

Defendant continues to contest the decision denying its claim that plaintiffs engaged in inequitable conduct

before the Patent and Trademark Office. Having discussed this matter in an opinion and order entered June 3, 1998, I see no reason to say more, other than to repeat the opinion I expressed at the time of the hearing that the claim was a waste of the court's and the parties' time.

F. Defendant's Defense of Invalidity

Defendant contends that it was forced at the last minute to abandon its defense of the invalidity of plaintiffs' patent. This contention does not stand up under scrutiny. Defendant disavowed any challenge to validity in its opening statement; it is not being entirely candid when it asserts that it was improperly forced to abandon this defense during the re-direct examination of its expert witness. Defendant had an extra three weeks in which to develop its thesis that the Taiwanese patent was a piece of prior art that made plaintiffs' patent invalid. It was unable to do so and as a result was stuck with the inconvenient fact that it had no real case on invalidity. Presumably it was the recognition of this fact that caused it to abandon its validity defense in its opening statement.

G. Sufficiency of Evidence to Support Damages Award

Defendant contends that the record contains no evidence to support a conclusion by the jury that "but for" the sales of defendant's product, plaintiff would have made equivalent sales. It is true, as defendant points out that the trial evidence showed that defendant made 90% of its sales to the superstore, Staples, and that Staples

chose to purchase from defendant exclusively because defendant had a full line of trimmer products, which plaintiffs did not have. From this, defendant argues that had it not been supplying Staples, the superstore would have purchased from another manufacturer who had a full line of trimmer products. Moreover, defendant argues, there is no substantial evidence to show that any demand for the rotary trimmer product was actually a demand for the patented features and no evidence that the product plaintiffs are selling is within the scope of the patented invention.

Taking the last argument first, plaintiffs called witnesses at trial who testified that the '001 patent covers the elements of plaintiffs' commercial rotary trimmer. Although none of them described the product element by element, their testimony was sufficient to show that the product embodies the claim elements. Even if it did not, the point is largely irrelevant. The question is whether defendant's product took sales away from plaintiffs. Plaintiffs can make this showing if they can establish " 'a reasonable probability that [the patent holder] would have made the asserted profits absent infringement.' " *King Instruments Corp. v. Perego*, 65 F.3d 941, 952 (Fed. Cir. 1995), *quoted in Minco, Inc. v. Combustion Engineering, Inc.*, 95 F.3d 1109, 1118 (Fed. Cir. 1996).

Although defendant argues that plaintiffs never showed that the demand for the product stemmed from its patentable features, defendant never raised this argument at trial. Even now, it does not specify what would influence a consumer to buy one of plaintiffs' trimmers, other than the patented features, such as the biasing function that lifts the carriage assembly to an inoperative

position or allows the user to compress the carriage assembly in order to cut. Plaintiffs showed there was considerable interest in the market for the product. Plaintiffs have sold over 400,000 units generating almost $10 million worth of business.

There is little to defendant's argument that plaintiffs would not have made any sales to Staples even if defendant had not been selling its infringing product. What defendant overlooks is that however much Staples might have wanted to buy all its trimmer products from one supplier, defendant, it could not have done so if defendant had not been offering an infringing rotary trimmer. Defendant says that Staples could have gone to another supplier but defendant offered no evidence that any other supplier had a similar rotary trimmer as attractive to consumers. Indeed in its own July 1995 business plan, defendant noted that plaintiffs' rotary trimmer was the only one then available in retail channels. Evidence at trial showed that Ingento made a trimmer product, but it was "a different trimmer altogether," Tr. 5-A-55, and cost more than $100, *id.*, whereas plaintiffs' and defendant's competing products sold for under $30. The jury was entitled to conclude that the Ingento product was not an acceptable non-infringing substitute.

Defendant argues that it was prejudiced by the court's refusal to strike all of plaintiffs' damages case as a sanction for not disclosing evidence of plaintiffs' sales of the rotary trimmer to superstores. The fact is that when defendant raised this point, I suggested not letting plaintiffs testify about these sales. Defendant refused the suggestion, for the good reason that omission of the sales

would make plaintiffs' lost sales appear to be more significant than they were in fact. Plaintiffs had to explain their oversight to the jury, which took the sales into account in calculating the damages. Defendant was not prejudiced by this omission. In fact, the record shows that it knew of the sales throughout the discovery period.

Although defendant maintains that the jury had insufficient evidence to support its awards of past and future price erosion, the record shows the opposite. Plaintiffs put in extensive evidence that it had to reduce its price to meet defendant's lower one; that it had good reason to anticipate that sales would rise 10% a year for the following five years; and that plaintiffs would be unable to institute any significant price increases in that period of time, given the power of the superstores to hold down such increases.

In summary, I am persuaded that the jury's verdict is supported by substantial evidence, that the rulings made prior to trial were correct and that defendant has not shown its entitlement to vacation of the judgment under Rule 59, a new trial under the same rule or to judgment as a matter of law under Rule 50.

III. PLAINTIFFS' MOTION FOR AN AWARD OF ATTORNEY FEES AND COSTS

Acknowledging that attorney fees are awarded in patent cases only in exceptional cases, 35 U.S.C. § 285, plaintiffs argue that this is such a case because defendant litigated it vexatiously and without justification and that they are entitled to an award of fees and costs. Alternatively, they argue their right to a fee award under 28

U.S.C. § 1927, which authorizes awards of fees against counsel who multiply the proceedings in a case vexatiously and unreasonably.

Plaintiffs marshal a number of examples of defendant's failures to make timely and full discovery disclosures, its change of direction during the pretrial stages and its raising of new issues at the last minute. Although plaintiffs characterize these as unusual in their scope and character, it is hard to accept that characterization. The defense of this case was not exemplary, but with one exception it was not so egregiously obstreperous as to qualify as an exceptional case under § 285 or as one deserving of a fee award under § 1927. The exception is defendant's pursuit of its claim of inequitable conduct before the Patent and Trademark Office. Trial of this claim revealed its skeletal quality. As I noted earlier, it was so lacking in substance as to constitute a waste of the time and resources of all the participants. Plaintiffs are entitled to an award of attorney fees under § 1927. The litigation of the inequitable conduct claim vexatiously and unreasonably multiplied the proceedings in this case.

IV. PREJUDGMENT INTEREST

Defendant does not object to plaintiffs' request for an award of prejudgment interest, calculated at the treasury bill rate, compounded annually as set forth in 28 U.S.C. § 1961. Such interest is necessary to make plaintiffs whole for the loss of use of their money between the time of infringement and the date of judgment. The parties agree that the amount of prejudgment interest to which plaintiffs are entitled is $84,657.00.

ORDER

IT IS ORDERED that

1. Defendant Hunt Manufacturing Co.'s motion for judgment as a matter of law pursuant to Fed. R. Civ. P. 50 is DENIED;

2. Defendant's motion pursuant to Fed. R. Civ. P. 59 to vacate the judgment in favor of plaintiffs Fiskars, Inc. and Fiskars Oy AB or, alternatively, to order a new trial, is DENIED;

3. Plaintiffs' motion for an award of attorney fees and costs under 35 U.S.C. § 285 is DENIED in all respects; plaintiffs' motion for an award of attorney fees and costs under 28 U.S.C. § 1927 is GRANTED with respect to the fees and costs incurred in the defense of defendant's counterclaim for inequitable conduct before the Patent and Trademark Office; in all other respects, it is DENIED; and. [sic]

4. No later than August 19, 1998, plaintiffs are to submit an itemized statement of the fees and costs incurred in the defense of the inequitable conduct counterclaim; defendant may have until September 2, 1998, in which to file and serve objections to the itemization; plaintiffs may have until September 10, 1998, in which to reply to the objections; and

5. Plaintiffs are awarded prejudgment interest in the amount of $84,657.00 (from the date of the first infringing sale (August 1, 1996) to the date of the entry of judgment, calculated at the United States Treasury Bill rate, as set forth in 28 U.S.C. § 1961).

Entered this 4th day of August, 1998.

BY THE COURT:

/s/ Barbara B. Crabb
BARBARA B. CRABB
District Judge

IN THE UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

FISKARS, INC.	:	
and	:	
FISKARS OY AB	:	Nos. 98-1560 98-1566
Plaintiffs/Appellees	:	
v.	:	
HUNT MANUFACTURING CO.	:	
Defendant/Appellant	:	
and	:	
JOSEPH F. POSILLICO	:	
Sanctioned Party-Appellant	:	

MOTION TO RECALL AND STAY MANDATE

On October 10, 2000, the Court denied the Appellant Hunt Manufacturing Co.'s Combined Petition for Rehearing and for Rehearing En Banc. As set forth in the attached Declaration of Mark D. Simpson, the Order denying the Petitions was received in the office of the undersigned on Friday, October 13, 2000. The Order indicated that the mandate would issue on Tuesday, October 17, 2000. Unsuccessful attempts were made to contact the Clerk's office on Monday, October 16, 2000, to determine the exact timing for filing a Motion to Stay the Mandate, since the Appellate Rules are ambiguous regarding this issue. In response to a 9:00 A.M. telephone call to the Clerk's office on Tuesday, October 17, 2000, Mr. Simpson

was advised that the mandate had already been issued, thus necessitating the need to move for a recall of the mandate in addition to moving for a stay.

The Defendant/Appellant Hunt Manufacturing Company ("Hunt") hereby requests the recall of the mandate and the issuance of a Stay of the Mandate in the present action. The Appellee has indicated to counsel for the Appellant that it will oppose this Motion.

There are two bases for this Motion:

(1) Appellants intend to file a Petition for Certiorari to the United States Supreme Court within 90 days from the denial of the rehearing petitions, i.e., on or before January 8, 2001 and thus are requesting the Stay pursuant to F.R.A.P. 41 and 28 U.S.C. § 2101(f);

(2) A Stay is also requested pending resolution of *Festo Corp. v. Shoketsu Kinzoku Cogyo Kabushiki Co.*, Fed. Cir. 95-1066, which was argued *en banc* before the U.S. Court of Appeals for the Federal Circuit on March 29, 2000.

This requested action is necessary under the circumstances of this case and is not presented for the purpose of delay.

Regarding Basis (1) above, a substantial question will be presented in the certiorari petition (conflict between decisions in the Federal Circuit regarding prosecution history estoppel and conflict with Supreme Court precedent regarding prosecution history estoppel). Further, good cause exists for granting of the Stay based on Basis (1): if the mandate is not stayed, the judgment of the District Court will be executable and the Appellant will

be forced to satisfy the District Court judgment; if the writ of certiorari is granted and Appellant succeeds in its appeal, the Supreme Court will be required to issue a remedial order directing that the judgment amount be repaid to Appellant.

Regarding Basis (2) above, an *en banc* determination by the Federal Circuit is binding on the various panels of the Federal Circuit and can overrule otherwise binding Federal Circuit precedent. *In re Kemps*, 97 F.3d 1427, 1431, *In re Lueders*, 111 F.3d 1569, 1574-75, *see* Fed.Cir. R. 35(a). At least two of the five questions being addressed in the *en banc Festo* proceeding have a direct impact on the outcome of the present proceeding, and the finality of the decision in the present appeal should only be effected after consideration of the decision in *Festo*. Specifically, questions 2 and 4 being considered *en banc* in the *Festo* case directly impact the present decision, as summarized below.

Festo Question 2

The second question being considered by the Federal Circuit *en banc* in *Festo* is as follows:

> "Under *Warner-Jenkinson*, should a 'voluntary' claim amendment – one *not* required by the examiner or made in response to a rejection by an examiner for a stated reason – create prosecution history estoppel?"

The District Court in the present action, while not able to figure out why the amendments *were* made, found that the claim amendments were *not* made in response to

a rejection by an examiner for a stated reason. This finding was affirmed by the Federal Circuit Panel ("The district court found that the amendment substituting 'carriage assembly' for 'cutting blade' was not directed to distinguishing the claims from the cited references, and thus that the amendment was not made for reasons of patentability. . . . We discern no reversible error in the district court's conclusion." *Fiskars, Inc. and Fiskars Oy AB v. Hunt Manufacturing Co.*, 221 F.3rd 1318, 1322 (Fed.Cir. 2000)). While Appellant vigorously disputes this finding and asserts that the amendments were *clearly* made in response to a prior art rejection, if the District Court's action, now affirmed by the Federal Circuit panel ("Panel"), is correct, then the amendments made in the present action must have been "voluntary" as contemplated by Question 2 yet to be answered in *Festo*. Thus, since the question of whether or not such amendments create an estoppel in the first place is being decided by the Federal Circuit *en banc* in *Festo*, the decision in *Festo* will directly affect the decision in the present appeal and be binding on the Panel.

Festo Question 4

The fourth question being determined by the *en banc* Federal Circuit in *Festo* is as follows:

> "When 'no explanation [for a claim amendment] is established,' *Warner-Jenkinson*, 520 U.S. at 33, thus invoking the presumption of prosecution history estoppel under *Warner-Jenkinson*, what range of equivalents, if any is available under the doctrine of equivalents for the claim amendments so amended?"

In the present action, the District Court specifically found that the record contained no explanation for the claim amendments, and that the Patentee could not explain why the amendments were made ("Plaintiffs find themselves . . . unable to come up with evidence explaining why they amended claim 1 by substituting 'carriage assembly' for 'cutting blade.' " *See* Appellate Appendix Page A34). In other words, as contemplated by Festo Question 4, no explanation for the claim amendments has been established. Since *Warner-Jenkinson* requires in such circumstances a presumption of prosecution history estoppel, the determination of the range of equivalents of the present claims is entirely relevant and the direction of the Federal Circuit in the *en banc Festo* decision will directly impact the present appeal.

For the above reasons, Appellant Hunt Manufacturing Co. requests that the mandate be recalled and stayed for the longer of (1) 90 days from the denial of the rehearing petitions (i.e., up to and including January 8, 2001) or (2) seven (7) days following the rendering of the decision in the *en banc* rehearing of the *Festo* case.

Certificate of Service by Facsimile Transmission

A copy of this motion has been served upon the Clerk and upon all parties by facsimile transmission and an original and 3 copies have been mailed via Express Mail to the Clerk and a single copy has been mailed to all parties via Express Mail.

Respectfully submitted,

SYNNESTVEDT & LECHNER

By: /s/ Mark D. Simpson
Joseph F. Posillico
Mark D. Simpson
Gary A. Hecht
Counsel for Defendant-Appellant
Hunt Manufacturing Co.

NOTE: Pursuant to Fed. Cir. R 47.6, this order is not citable as precedent. It is a public order.

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

FISKARS, Inc. and FISKARS OY AB Plaintiffs-Cross Appellants, v. HUNT MANUFACTURING CO., Defendant-Appellant, And JOSEPH F. POSILLICO, Sanctioned Party-Appellant.	)	No. 98-1560,-1571

ORDER

Defendant-Appellant Hunt Manufacturing Co. has filed a Motion to Recall and Stay Mandate. This motion is hereby DENIED.

DATE: OCT 31 2000

/s/ Jan Horbaly Lp
Circuit ~~Judge~~ Clerk